

3/6/1960
File No - 7268-59
u/s
DPD-1880-60

11 March 1960

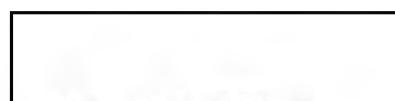
MEMORANDUM FOR : Chief, Contracts Branch, DPD-DD/P
SUBJECT : Activity Program
REFERENCE : DPD-1710-60, dated 25 February 1960

1. On 8 March 1960, [] of my staff, discussed the security ramifications of the activity program outlined in referenced document with [] of the Development Branch, DPD, and [] of Nycon.

2. This is to advise that there are security ramifications if the referenced program is to be handled through the Office of Logistics, as it would be handled under normal circumstances. The big problem is as follows: If the contract was handled under the Office of Logistics, it would be a PPP contract and there would be no guarantee that the [] quoted by [] could be maintained since he quoted on a fixed price basis. If attempts were made to pass the fixed price estimate made by [] to the other side of the Nycon Company, it would reveal to several Nycon officials who are presently associated with the Office of Logistics and not CHALICE cleared, that [] is associated with CIA also.

3. It is recommended from a security, as well as a financial point of view, that the referenced activity program be handled by DPD Contracts.

DOCUMENT NO. 122
NO CHANGE IN CLASS.
 EXPIRES 10-3-62
CLASS. PERIOD 10-3-62
DATE 8 Dec 1960
ACTS 8 Dec 1960
DATE: 8 Dec 1960



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